

EXHIBIT Z

SETTLEMENT AGREEMENT

This Settlement Agreement ("Agreement") is entered into as of the ____ day of August, 1992, by and among Reading Broadcasting, Inc. ("RBI"), a Pennsylvania corporation; Krusen Evans & Byrne ("KEB"), a Pennsylvania partnership; Astor Weiss & Newman ("AWN"), a Pennsylvania partnership; Partel, Inc. ("Partel"), a Washington corporation; Mike Parker ("Parker"); H. Marvin Mercer, III, Esquire ("Mercer"); Robert Clymer, M.D. ("Clymer"); Rev. Frank McCracken ("McCracken"); the Honorable Meyer C. Rose ("Rose"); Irvin Cohen ("Cohen"); Jack Linton, Esquire ("Linton"); Henry N. Aurandt, M.D. ("Aurandt"); Helen N. Aurandt ("Mrs. Aurandt"); Linton & Giannascoli, P.C. ("L & G"), a Pennsylvania corporation; Linton Giannascoli & Dorko, P.C. ("LGD"), a Pennsylvania corporation; Roland & Schlegel, P.C. ("R&S"), a Pennsylvania corporation; STV Reading, Inc. ("STV"), a Pennsylvania corporation; the Linton Parties (as herein defined); the Aurandt Parties (as herein defined); the Parker Parties (as herein defined) and the Aurandt Trust (as herein defined).

W I T N E S S E T H :

WHEREAS, on September 14, 1991, the Aurandt Board was elected at a shareholders meeting, the validity of which is disputed by Parker;

()

WHEREAS, on September 14, 1991, the Aurandt Board adopted a resolution terminating the Partel Contract, which action is disputed by Parker;

WHEREAS, on October 15, 1991, Parker as President or Executive Vice-President issued Certificates 2-43 to the New Shareholders (which Certificates were amended by Certificates 1A-50A), which issuance is disputed by the Aurandt Board;

WHEREAS, on October 30, 1991, the New Shareholders removed the Aurandt Board and elected the Parker Board at a Special Shareholders Meeting, which meeting is disputed by the Aurandt Board.

WHEREAS, on February 4, 1992, the New Shareholders re-elected the Parker Board, which meeting is disputed by the Aurandt Board;

WHEREAS, on February 4, 1992, the Aurandt Board instituted the Adversary Proceeding against the Parker and the Parker Officers;

WHEREAS, the Parker Board and the Aurandt Board each purport to be the sole board of directors of Reading Broadcasting, Inc.

WHEREAS, the Parker Board and the Aurandt Board desire to resolve their dispute; and

WHEREAS, all parties hereto agree that the Parker Board shall be deemed the validly elected and duly authorized board of directors of RBI as of October 30, 1991, that all action taken by such board shall be deemed valid acts of the corporation, and

that the Adversary Proceeding shall be withdrawn, with prejudice, by the Aurandt Board.

NOW, THEREFORE, the parties, intending to be legally bound, agree as follows:

1. Closing. Closing shall be held at the offices of RBI at 1729 N. 11th Street, Reading, PA, at 1:00 p.m. on the first business day more than one week following the latter of (a) the date upon which an order of the Bankruptcy Court approving the execution and consummation of this Agreement becomes final and non-appealable, or (b) the date upon which an Order of the Bankruptcy Court approving the execution and consummation of the Settlement Agreement by and among RBI, Harvey L. Massey, Paul Pavloff, Stella Pavloff-Bull and Alfred W. Busby dated as of August ___, 1992 becomes final and non-appealable.

2. Definitions. The terms set forth below shall have the following definitions when used in this Agreement:

(a) Adversary Proceeding: the adversary proceeding before the Bankruptcy Court, encaptioned Reading Broadcasting, Inc. v. Putative Officers and Directors of Reading Broadcasting, Inc., Adversary No. 92-2046, including Plaintiff's Complaint/Motion Pursuant to 11 U.S.C. §105/ Motion for Declaratory Judgment/Motion to Disgorge Counsel Fees.

(b) The Adversary Proceeding Resolutions: See Section 13 hereof.

(c) Amended Plan: RBI's Fourth Amended Plan of Reorganization, as modified by RBI's First through Fifth Modifications to its Fourth Amended Plan of Reorganization and by RBI's Amended Sixth Modification to its Fourth Amended Plan of Reorganization, all as confirmed by the Bankruptcy Court.

(d) August 91 Resolutions: the resolutions set forth in the Action by Unanimous Written Consent of the Board of Directors of RBI executed by Aurandt, Clymer, Linton, Parker and Edward C. Fischer, M.D. in August of 1991 authorizing any one officer of RBI to execute and deliver all documents and to do all acts as they may deem convenient or proper to effectuate the Amended Sixth Modification.

(e) Aurandt Board: the second of the two boards of directors asserting the right to manage and operate RBI and consisting of Aurandt, Linton, Mrs. Aurandt, Parker and Clymer. For the purposes of all actions required to be taken by the Aurandt Board and/or the Aurandt Officers hereunder this Agreement, all such actions shall be effective as of Closing, and Parker and Clymer shall be treated as having resigned from the Aurandt Board immediately prior to Closing and the occurrence of all such actions and as having abstained from all deliberations of the Aurandt Board. Parker and Clymer shall not be required by this Agreement to participate or to approve such actions; nor shall their presence be necessary to establish a quorum

or their signatures necessary to obtain an unanimous written consent of such Board. Notice of any directors meeting necessary to adopt such actions is hereby waived by all members of the Aurandt Board.

(f) Aurandt Officers: the Aurandt Board together with the officers of RBI selected by the Aurandt Board: Aurandt as President of RBI; Parker as Executive Vice-President; and Linton, as Secretary. Parker shall not be required to execute any documents or take any action required of the Aurandt Officers in his capacity of Executive Vice-President.

(g) Aurandt Parties: Mrs. Aurandt, Ben F. Bowers, Helen Kirkpatrick, Hugh Norris, Mark Norris, Ethlyn Muir, and Martin Muir, or which are corporations, partnerships, pension plans, trusts or other entities managed, owned in whole or in part or controlled by any of the foregoing individuals or entities, or who are the employees or agents of such individuals or entities.

(h) Aurandt Releases Resolutions: See Section 19 hereof.

(i) Aurandt Settlement Resolutions: See Section 27 hereof.

(j) Aurandt Trust: Henry N. Aurandt, M.D., P.C. Employees Pension Plan & Trust, Henry N. Aurandt, M.D. Trustee.

(k) The Aurandt Trust Resolutions: See Section 16 hereof.

(l) Bankruptcy Court: the United States Bankruptcy Court for the Eastern District of Pennsylvania.

(m) BCIDA: Berks County Industrial Development Authority.

(n) Collateral Pledge Agreement: the Collateral Pledge of Stock and Option Agreement made as of September 17, 1991, by and between Partel and Meridian Bank.

(o) Confirmation: the execution of the Order by the Bankruptcy Court confirming RBI's Fourth Amended Plan of Reorganization on January 8, 1991.

(p) December Opinion of Counsel: the Opinion Letter of KEB as Counsel to RBI, dated December 31, 1991, addressed to Meridian Bank.

(q) February Board Meeting: the meeting of the Parker Board on February 4, 1992 at the offices of RBI at Reading, PA in conjunction with the 1992 Shareholders Meeting.

(r) Linton Parties: Shareholders, creditors and other parties in interest in the RBI Chapter 11 Case who are related to Linton, or who are married or related to such relatives, or which are corporations, partnerships, pension plans, trusts or other entities managed, owned in whole or in part or controlled by any of the foregoing individuals or entities, or who are employees or agents of such individuals or entities.

(s) Loan Stock: this term shall have the same definition as set forth in the Amended Plan.

(t) The Loan Stock Resolutions: See Section 12 hereof.

(u) Mercer Resolutions: See Section 15 hereof.

(v) Meridian Documents: all documents executed by Parker as President of RBI and/or Mercer as Secretary of (or counsel for) RBI pertaining to the termination of the title of the BCIDA to the premises at 1729 N. 11th Street, Reading, PA or to the restructuring of the obligations of RBI to Meridian Bank including, without limitation:

(i) Termination Agreement by RBI and BCIDA dated as of September 17, 1991;

(ii) Realty Transfer Affidavit of Value by Mercer dated December 31, 1991;

(iii) Agreement of Indemnity and Defense by BCIDA and RBI dated as of September 17, 1991;

(iv) Affidavit by Parker dated December 31, 1991;

(v) Restructuring Agreement by RBI and Meridian Bank dated as of September 17, 1991;

(vi) \$2,000,000 Note from RBI to Meridian Bank dated September 17, 1991;

(vii) \$120,000 Note from RBI to Meridian Bank dated September 17, 1991;

(viii) Mortgage and Security Agreement by RBI and Meridian Bank dated as of September 17, 1991;

(ix) Security Agreement by RBI and Meridian Bank dated as of September 17, 1991;

(x) Various UCC-1 Financing Statements from RBI to Meridian Bank;

(xi) Option to Purchase FCC License and Auxiliary Licenses by RBI to Meridian Bank dated as of September 17, 1991;

(xii) Assignment of Contracts by RBI and Meridian Bank dated as of September 17, 1991;

(xiii) Subordination Agreement;

(xiv) December Opinion of Counsel;

(xv) October Opinion of Counsel delivered to Meridian Bank on December 31, 1991, in connection with the Meridian Documents;

(xvi) Opinion of FCC Counsel to RBI, dated December 31, 1991, from Sidley & Austin to Meridian Bank;

(xvii) Composite Officers Certificate of RBI dated December 31, 1991; and

(xviii) Secretary's Certification of Corporate Resolutions, dated December 31, 1991.

(w) New Shareholders: Holders of New Common Stock of RBI as represented by Certificates 2-43 as amended by Certificates 1A-50A.

(x) October Board Meeting: the meeting of the Parker

Board on October 30, 1991 at the offices of RBI in Reading, PA.

(y) October Opinion of Counsel: the Opinion Letter of KEB as Counsel to RBI, dated October 30, 1991, addressed to Parker.

(z) Parker Board: one of the two boards of directors asserting the right to manage and operate RBI and consisting of Parker, Clymer, McCracken, Cohen and Rose.

(aa) The Parker Board Resolutions: See Section 14 hereof.

(bb) Parker Officers: the Parker Board together with officers of RBI selected by the Parker Board: Parker and Mercer as President and Secretary of RBI, respectively.

(cc) Parker Parties: Shareholders, creditors and other parties in interest in the RBI Chapter 11 case who are related to Parker, or who are married or related to such relatives, or which are corporations, partnerships, pension plans, trusts or other entities managed, owned in whole or in part, or controlled by any of the foregoing individuals or entities, or who are employees or agents of such individuals or entities.

(dd) Parker Release Resolutions: See Section 18 hereof.

(ee) Parker Settlement Resolutions: See Section 29 hereof.

(ff) Partel Contract: Management Services Agreement by and between RBI and Partel dated as of June 1, 1989, as

amended by First Amendment to Management Services Agreement by and between RBI and Partel dated as of February 19, 1991.

(gg) The Partel Contract Resolutions: See Section 11 hereof.

(hh) Partel Limited Guaranty: the Partel Limited Guaranty made as of September 17, 1991 by and between Partel and Meridian Bank.

(ii) Pincus Dubroff: Pincus, Dubroff, Ganz, Lightman & Weiss.

(jj) Pincus Reich: Pincus, Reich, Hahn, Dubroff & Ganz, P.C.

(kk) Pledged Stock, Obligations and Option: these terms shall have the same definitions as set forth in the Collateral Pledge Agreement.

(ll) Principal Debtor's Liabilities to the Bank: this term shall have the same definition as set forth in the Partel Limited Guaranty.

(mm) RBI-Aurandt Releases: See Section 19 hereof.

(nn) RBI Chapter 11 Case: the Chapter 11 proceeding of RBI before the Bankruptcy Court, encaptioned In re Reading Broadcasting, Inc., Bankruptcy No. 86-04474T.

(oo) RBI-Parker Releases: See Section 18 hereof.

(pp) RBI Release I: See Section 21 hereof.

(qq) RBI Release II: See Section 22 hereof.

(rr) RBI Release III: See Section 23 hereof.

(ss) RBI Release IV: See Section 24 hereof.

(tt) RBI Release V: See Section 25 hereof.

(uu) RBI Release VI: See Section 26 hereof.

(vv) R&S Release Resolutions: See Section 24 hereof.

(ww) September Directors Meeting: the meeting of the Aurandt Board held on September 14, 1991 at the Berkshire Country Club, Reading, PA.

(xx) 1992 Shareholders Meeting: the Annual meeting of the shareholders of RBI held on February 4, 1992 at the offices of RBI at Reading, PA.

(yy) Special Shareholders Meeting: Special Meeting of New Shareholders held on October 30, 1991 at 6:00 p.m. at the offices of RBI in Reading, PA.

(zz) STV Board: See Section 30(e) hereof.

(aaa) STV-Parker Releases: See Section 20 hereof.

(bbb) STV-Parker Resolutions: See Section 20 hereof.

(ccc) STV Settlement Resolutions: See Section 28 hereof.

(ddd) Subordinated Debt and Senior Debt: these terms shall have the same definitions as set forth in the Subordination Agreement.

(eee) Subordination Agreement: the Amended and Redated Subordination Agreement made as of September 17, 1991 by and among Partel, RBI, and Meridian Bank.

(fff) Warrant: the Warrant for Purchase of New Common Stock of RBI issued by RBI to Aurandt and Mrs. Aurandt as tenants by the entireties, or assigns, as pledgors of the

Warrant and to Meridian Bank as pledgee of the Warrant dated as of Closing, in the form of Exhibit G hereto as amended by Meridian Bank.

(ggg) The Warrant Resolutions: See Section 17 hereof.

3. AWN Legal Fees. All parties, other than the Parker Board, hereto agree that there is currently due and owing to AWN \$_____, representing legal fees and costs rendered during the RBI Chapter 11 Case prior to Confirmation, which are subject only to the approval of the Bankruptcy Court and the Parker Board. Each party hereto, other than the Parker Board, covenants and agrees that he will not institute, prosecute, or in any way aid in the institution or prosecution of any suit or action at law, equity, before the Bankruptcy Court or otherwise against AWN, its successors and assigns, for the disgorgement or reimbursement of any payments made, prior to the Closing or at any time thereafter, by RBI to AWN, its successors and assigns, for legal services rendered and costs incurred in connection with its representation of RBI prior to Closing; nor will he institute, prosecute or in any way aid in the institution or prosecution of, any claim, demand, action or cause of action for damages, costs, expenses or compensation, which he, his heirs, successors and/or assigns, ever had, now have or hereafter can, shall or may have for, on account of, arising out of, by reason of, or in any manner relating to such payments by RBI to AWN for legal services and costs. Each party hereto, other than the Parker Board, further covenants and agrees that he will not file

an objection or other responsive pleading to any fee application filed by AWN, its successors and assigns, with the Bankruptcy Court with respect to fees for legal services rendered and costs incurred in connection with its representation of RBI prior to Closing.

4. KEB Legal Fees. All parties hereto, other than the Parker Board, agree that there is currently due and owing to KEB \$25,874.02, representing legal fees and costs rendered during the RBI Chapter 11 Case prior to Confirmation, which are subject only to the approval of the Bankruptcy Court and the Parker Board. All parties hereto, other than the Parker Board, agree that such fees may be presented to the Bankruptcy Court for approval by incorporating such fees into a fee application to be filed by AWN and that KEB is not required to file its own fee application. Each party hereto, other than the Parker Board, covenants and agrees that he will not institute, prosecute, or in any way aid in the institution or prosecution of any suit or action at law, equity, before the Bankruptcy Court or otherwise against KEB, its successors and assigns, for the disgorgement or reimbursement of any payments made, prior to the Closing or at any time thereafter, by RBI to KEB, its successors and assigns, for legal services rendered and costs incurred in connection with the representation of RBI prior to Closing by Mercer in his capacity as counsel to AWN; nor will he institute, prosecute or in any way aid in the institution or prosecution of, any claim, demand, action or cause of action for damages, costs, expenses or

compensation, which he, his heirs, successors and/or assigns, ever had, now have or hereafter can, shall or may have for, on account of, arising out of, by reason of, or in any manner relating to such payments by RBI to KEB for legal services and costs. Each party hereto, other than the Parker Board, further covenants and agrees that he will not file an objection or other responsive pleading to any fee application filed by AWN, its successors and assigns, with the Bankruptcy Court with respect to fees for legal services rendered and costs incurred in connection with the representation of RBI prior to Closing by Mercer in his capacity as counsel to AWN.

5. L & G Legal Fees. All parties hereto agree that there is due and owing to L & G \$_____, representing legal fees and costs rendered during the RBI Chapter 11 Case prior to Confirmation, which are subject only to the approval of the Bankruptcy Court, to the approval nunc pro tunc by the Bankruptcy Court of RBI's employment of L & G as special counsel in substitution of Gerber & Linton, P.C. and to the terms of payment agreed upon by RBI and L & G. L & G agrees that on or before the sixteenth day after Closing, it will prepare and file an application for appointment nunc pro tunc as special counsel for RBI in substitution for Gerber & Linton, P.C. and a fee application for approval of the legal fees and costs so rendered. Each party hereto covenants and agrees that he will not institute, prosecute, or in any way aid in the institution or prosecution of any suit or action at law, equity, before the

Bankruptcy Court or otherwise against L & G, its successors and assigns, for the disgorgement or reimbursement of any payments made, prior to the Closing or at any time thereafter, by RBI to L & G, its successors and assigns, for legal services rendered and costs incurred in connection with its representation of RBI prior to Closing; nor will he institute, prosecute or in any way aid in the institution or prosecution of, any claim, demand, action or cause of action for damages, costs, expenses or compensation, which he, his heirs, successors and/or assigns, ever had, now have or hereafter can, shall or may have for, on account of, arising out of, by reason of, or in any manner relating to such payments by RBI to L & G for legal services and costs. Each party hereto further covenants and agrees that he will not file an objection or other responsive pleading to any fee application filed by L & G, its successors and assigns, with the Bankruptcy Court with respect to fees for legal services rendered and costs incurred in connection with its representation of RBI prior to Closing, nor to any application for appointment of L & G nunc pro tunc as special counsel for RBI in substitution of Gerber & Linton, P.C.

6. Fee Applications. All parties hereto agree that there neither Awn, KEB, Mercer, L & G, LGD, nor R & S are required by law to file a fee application for approval by the Bankruptcy Court of payments for legal services rendered or costs incurred by itself, in connection with its representation of RBI after Confirmation, without regard to whether such representation was

before the Bankruptcy Court or pertained to the RBI Chapter 11 Case or Adversary Proceeding. Each party hereto covenants and agrees that he will not institute, prosecute, or in any way aid in the institution or prosecution of any suit or action at law, equity, before the Bankruptcy Court or otherwise against any of the foregoing law firms, its successors and assigns, for the disgorgement or reimbursement of any payments made, prior to the Closing or at any time thereafter, by RBI to Mercer or any of the foregoing law firms, its successors and assigns, for legal services rendered and costs incurred, based upon the failure of Mercer or such law firm to file a fee application with respect to fees earned and costs incurred in connection with its representation of RBI after Confirmation; nor will he institute, prosecute or in any way aid in the institution or prosecution of, any claim, demand, action or cause of action for damages, costs, expenses or compensation, which he, his heirs, successors and/or assigns, ever had, now have or hereafter can, shall or may have for, on account of, arising out of, by reason of, or in any manner relating to the failure by Mercer or any of the foregoing law firms to file such fee petition. Each party hereto further covenants and agrees that he will not file an objection or other responsive pleading to any fee application filed by Mercer or any of the foregoing law firms, its successors and assigns, with the Bankruptcy Court (with respect to fees for legal services rendered and costs incurred in connection with its representation of RBI) based upon the failure of such law firm to file a fee

application with respect to fees earned and costs incurred in connection with its representation of RBI after Confirmation.

7. Approval of Professionals. All parties hereto agree that RBI was and is now not required by law to obtain the permission of the Bankruptcy Court to retain Mercer or the law firms of AWN, KEB, L & G, LGD, and R & S to perform legal services after Confirmation without regard to whether such representation was before the Bankruptcy Court or pertained to the RBI Chapter 11 Case or Adversary Proceeding. Each party hereto covenants and agrees that he will not institute, prosecute, or in any way aid in the institution or prosecution of any suit or action at law, equity, before the Bankruptcy Court or otherwise against Mercer or any of the foregoing law firms, its successors and assigns, for the disgorgement or reimbursement of any payments made, prior to the Closing or at any time thereafter, by RBI to Mercer or any of the foregoing law firms, its successors and assigns, for legal services rendered and costs incurred, based upon the failure of RBI to obtain the permission of the Bankruptcy Court to retain Mercer or such law firms to perform legal services after Confirmation; nor will he institute, prosecute or in any way aid in the institution or prosecution of, any claim, demand, action or cause of action for damages, costs, expenses or compensation, which he, his heirs, successors and/or assigns, ever had, now have or hereafter can, shall or may have for, on account of, arising out of, by reason of, or in any manner relating to the failure by RBI to obtain such permission

of the Bankruptcy Court. Each party hereto further covenants and agrees that he will not file an objection or other responsive pleading to any fee application filed by Mercer or any of the foregoing law firms, its successors and assigns, with the Bankruptcy Court (with respect to fees for legal services rendered and costs incurred in connection with its representation of RBI) based upon the failure of RBI to obtain the permission of the Bankruptcy Court to retain Mercer or such law firms to perform legal services after Confirmation.

8. R & S Fees. All parties agree that R & S may retain the Nine Thousand Dollars (\$9,000.00) of funds belonging to RBI which was paid by the Aurandt Board to R & S. In addition, RBI shall pay an additional Six Thousand Dollars (\$6,000.00), without interest, to R & S for legal services and costs rendered in connection with the Adversary Proceeding in five (5) monthly installments of Twelve Hundred Dollars (\$1,200.00) per month commencing at Closing.

9. Aurandt Legal Expenses. RBI shall pay Five Thousand Dollars (\$5,000.00) to LGD in payment of fees for legal services rendered to Aurandt. Payment shall be made in five (5) monthly installments of One Thousand Dollars (\$1,000.00) each which will commence one month after the date upon which the L & G legal fees set forth in Section 5 hereof have been paid in full in accordance with the terms agreed upon by RBI and L & G.

10. Partel Legal Expenses. All parties agree that all obligations incurred by Partel and/or Parker for legal services

rendered or costs incurred in connection with the Adversary Proceeding shall be paid by RBI under the Partel Contract.

11. Renewal of Partel Contract. All parties agree that the Partel Contract was automatically renewed pursuant to Section 1(b) thereof on January 1, 1992. In addition, all parties agree that the term of the Partel Contract shall be extended, pursuant to Section 1(a) thereof, so long as (a) the Subordinated Debt is subordinated to the Senior Debt pursuant to Section 1 of the Subordination Agreement, (b) the Subordinated Debt or any part thereof has been paid to Meridian Bank pursuant to Section 3 of the Subordination Agreement, and Partel has not been reimbursed by RBI for same, (c) the Subordinated Debt is collateral security for the payment of the Senior debt under Section 4 of the Subordination Agreement, (d) Partel has guaranteed all or part of the Principal Debtor's Liabilities to Bank under the Partel Limited Guaranty or otherwise or (e) the Pledged Stock of Partel is pledged to Meridian Bank as security for the Obligations under the Collateral Pledge Agreement. All parties further agree that the purported termination of the Partel Contract at the September Directors Meeting is hereby rescinded nunc pro tunc whether or not such termination was invalid. In addition, the Aurandt Board and the Parker Board shall each adopt and deliver to Parker, at Closing, resolutions rescinding the purported termination and ratifying and acknowledging the extension of the term of the Partel Contract under Sections 1(a) and 1(b) thereof as set forth

in this Section 11 hereof, in the form of Exhibit A hereto (the "Partel Contract Resolutions").

12. Loan Stock. The parties hereto agree that the Loan Stock issued to Partel pursuant to the Amended Plan, which shares were included in the shares represented by Certificate 1A as recorded in the Stock Ledger of RBI, was and is validly authorized and issued shares and that Partel is legally entitled to own said shares, subject to the Option. At Closing, the Aurandt Board and the Parker Board shall each adopt and deliver to Parker resolutions ratifying the issuance of the Loan Stock to Partel pursuant to Certificate 1A, in the form of Exhibit B attached hereto (the "Loan Stock Resolutions").

13. Adversary Proceeding. At Closing, the Aurandt Board shall adopt and deliver to Parker resolutions authorizing the withdrawal, with prejudice, of the Adversary Proceeding including RBI's Motion Pursuant to 11 U.S.C. §105, its Motion for Declaratory Judgment, and its Motion to Disgorge Counsel Fees, in the form of Exhibit C attached hereto (the "Adversary Proceeding Resolutions"). At Closing, Aurandt as President of RBI and Jack Linton as Secretary, and/or R&S as counsel for RBI, shall execute and file with the Bankruptcy Court, all documents necessary or conducive to withdrawing the Adversary Proceeding.

14. Parker Ratification. At Closing, the Aurandt Board shall adopt and deliver to Parker resolutions in the form of Exhibit D hereto, ratifying all actions taken prior to Closing by the Parker Board as the directors of RBI, by Parker as President

of RBI or as Executive Vice-President of RBI, by Mercer as Secretary of RBI and/or by the New Shareholders acting collectively as the shareholders of RBI (the "Parker Board Resolutions"), including without limitation:

(a) the issuance by Parker of the shares of New Common Stock to the RBI shareholders, as represented by Certificates 2-43 and as amended by Certificates 1A-50A, pursuant to the Amended Plan and the August '91 Resolutions;

(b) the call of the Special Shareholder Meeting by Parker and the granting of notice of the same by Parker;

(c) the actions taken by the New Shareholders at the Special Shareholders Meeting including the election of the Parker Board as the Board of Directors of RBI and the removal of the Aurandt Board;

(d) the election of Parker as President of RBI and Mercer as Secretary at the October Board Meeting;

(e) the execution by Parker as President of RBI and/or Mercer as Secretary of (or Counsel for) RBI of the Meridian Documents and all actions of the Parker Board authorizing the same;

(f) the call, notice and holding of the 1992 Shareholders Meeting by Parker;

(g) the actions taken by the New Shareholders at the 1992 Shareholders Meeting including the election of the Parker Board as the Board of Directors of RBI and the

approval of certain amendments to RBI's Articles of Incorporation; and

(h) the election of Parker as President of RBI and Mercer as Secretary at the February Board Meeting.

15. Mercer Ratification. At Closing, the Aurandt Board shall adopt and deliver to Parker resolutions, in the form of Exhibit D-1 hereto (the "Mercer Resolutions"), ratifying all actions taken prior to Closing by Mercer, Dubroff, AWN, KEB or any attorney associated with such firms in connection with the representation of RBI as legal counsel by such individuals and entities. Each party hereto covenants and agrees that he will not institute, prosecute, or in any way aid in the institution or prosecution of any claim, demand, action or cause of action for damages, costs, expenses or compensation against Mercer, Dubroff, AWN, its successors and assigns, and/or KEB, its successors and assigns, which he, his heirs, successors and/or assigns, ever had, now have or hereafter can, shall or may have for, on account of, arising out of, by reason of, or in any manner relating to any matter or thing whatsoever from the beginning of the world to the date of Closing, including the following matters:

(a) the issuance of the October Opinion of Counsel and its delivery to Meridian Bank in connection with the Meridian Documents;

(b) the issuance of the December Opinion of Counsel;

(c) the issuance of the letter dated November 5, 1991

from Mercer to Parker re: Shares of New Common Stock to be issued to Henry N. Aurandt and related parties; and

(d) any acts or omissions alleged to have been committed by Mercer, AWN or KEB in RBI's Motion to Disgorge Fees filed with the Bankruptcy Court by R&S (under the authority of the Aurandt Board and/or certain Aurandt Officers) in connection with the Adversary Proceeding, including, but not limited to: (i) any alleged failure by Mercer to disclose to the Bankruptcy Court his representation of Parker; (ii) any alleged failure by Mercer to notify the Bankruptcy Court that within the Third Modification of the Fourth Amended Plan were new provisions which gave 6.25% of RBI Stock to Partel and Parker which stock dissolution would adversely effect all shareholders despite any alleged contrary certification by Mercer to the court; (iii) any alleged contacts by Mercer of various creditors of Aurandt; (iv) any alleged fees received by Mercer prior to or without submission of a fee application; and/or (v) any other alleged failure by Mercer to act in the best interest of RBI.

16. Aurandt Trust Shares. At Closing, the Parker Board shall adopt and deliver to Linton resolutions authorizing the issuance of Four Thousand Four Hundred Seventy-Seven (4,477) shares to the Aurandt Trust ("Aurandt Trust Resolutions"), in the form of Exhibit E hereto. In addition, at Closing, Parker as President of RBI shall execute and deliver to Meridian Bank a

Stock Certificate evidencing the same, which shall be issued in the name of the Aurandt Trust as pledgor and Meridian Bank as pledgee and shall contain the same legend as is set forth on Certificates 1A-50A of RBI's New Common Stock. A copy of said Certificate will be delivered to the Aurandt Trust at Closing. The Aurandt Trust, at Closing, shall execute and deliver to Parker the Limited Guaranty and Collateral Pledge Agreement required of all New Shareholders by Meridian Bank.

17. Warrant. At Closing, the Parker Board shall adopt and deliver to Linton resolutions, in the form of Exhibit F hereto, authorizing the issuance of Warrant (the "Warrant Resolutions") and Parker as President and Mercer as Secretary shall execute the Warrant on behalf of RBI and shall deliver the same to Meridian Bank. A copy of the Warrant shall be delivered to Aurandt and Mrs. Aurandt at Closing. Aurandt and Mrs. Aurandt agree to accept such changes in the form and terms of the Warrant as shall be required by Meridian Bank and to execute and deliver to Parker the Limited Guaranty and Collateral Pledge Agreement required by Meridian Bank.

18. RBI - Parker Releases. At Closing, the Aurandt Board shall adopt and deliver to Parker resolutions, in the form of Exhibit H hereto (the "Parker Releases Resolutions"), authorizing RBI to release Partel, Parker, each member of the Parker Board, Mercer, KEB, AWN, Allen B. Dubroff, Pincus Dubroff, Pincus Reich, Barbara Williamson, Linda Hendrickson, and George Mattmiller of all claims of RBI against such individuals or entities in the

forms attached hereto as Exhibits I through W (the "RBI-Parker Releases"). Further, at Closing, Aurandt as President of RBI and Linton as Secretary shall execute and deliver to Parker the RBI-Parker Releases.

19. RBI - Aurandt Releases. At Closing, the Parker Board shall adopt and deliver to Linton resolutions in the form of Exhibit X hereto (the "Aurandt Releases Resolutions"), authorizing RBI to release Linton, Aurandt, Mrs. Aurandt, each member of the Aurandt Board (including Clymer and Parker), L&G, LGD, R&S, and STV of all claims of RBI against such individuals or entities in the forms attached hereto as Exhibits Y through GG (the "RBI-Aurandt Release"). Further, at Closing, Parker as President of RBI and Mercer as Secretary shall execute and deliver to Linton the RBI-Aurandt Releases.

20. STV - Parker Releases and Aurandt Covenant. At Closing, the STV Board shall adopt and deliver to Parker resolutions in the form of Exhibit HH hereto (the "STV-Parker Resolutions"), authorizing STV to release RBI, Partel, Parker, each member of the Parker Board, Mercer, KEB, AWN, Allen B. Dubroff, Pincus Dubroff, Pincus Reich, Barbara Williamson, Linda Hendrickson and George Mattmiller of all claims of STV against such individuals or entities in the forms attached hereto as Exhibits II through XX (the "STV-Parker Releases"). Further, at Closing, Aurandt as President of STV and Linton as Secretary of STV shall execute and deliver to Parker the STV-Parker Releases.